

MONTANA LEGISLATIVE HISTORY

Chapter 374 19 71

Bill H _____ S 318 Original bill & history C

H. Committee on Business & Industry
~~Banking~~

Hearing Date(s) Feb 15 ✓ C

Feb 17 ✓ C

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Date Out Feb 17 ✓ C

S. Committee on Banking and Insurance

Hearing Date(s) Jan 26 ✓ C

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Jan 26 ✓ C

Did this bill originate in an interim committee? Yes No

Committee _____

Report _____

JANUARY 26, 1971

The committee on Banking and Insurance met on January 26, 1971, at recess in Room 442. Roll call was taken and a quorum was present.

Senate Bill 148 was placed before the committee for consideration. E. V. "Sonny" Omholt, commissioner of insurance, appeared as a proponent of this bill. He explained to the members that this bill would regulate downstream and upstream insurance companies or non-insurer owned insurance companies. He felt that this bill would regulate permissiveness of investments. In response to a question of Senator Shea, as to how the public would be protected by this bill, Mr. Omholt stated that this would allow the commissioner to control holding companies as if they were insurance companies. He further explained that this bill was drafted after the model insurance company holding act.

Senator Paul Boylan, sponsor of Senate Bill 173, appeared before the committee in support of his bill. He explained that this bill would permit an insurance company to merge and enlarge its assets. He specifically mentioned the Montana Life Insurance Company as an example.

Mr. Herb Richards, president of the Gallatin Life Insurance Company of Bozeman, also appeared in support of Senate Bill 173, explaining that this bill would serve the need to consummate a company to merge, such as a small life insurance company in Arizona to consolidate with Gallatin Life. He stated that several states have granted this type of merger in order to allow non-life insurance companies to merge under regulations and provisions of the commissioner of insurance. He also felt that this would clarify the code .

Hjalmar Landoe felt that this bill would allow small Montana insurance companies to be competitive with larger companies and other states. He felt that there were only four major life insurance companies in Montana.

Proponents and sponsors of these senate bills were dismissed and the committee members discussed the bills. Senator Carl stated that this bill would strengthen the companies from its liability to policyholders and enable them to acquire more assets while the burden would be on the insurance commissioner to regulate insurance companies.

After discussion, Senator Shea moved to withhold action on this bill until further study by the committee members. This motion was seconded and carried.

Senate Bill 318 was placed before the committee for consideration. Senator Shea, sponsor of this bill, explained the intent of the bill, and further stated that this bill was for the protection of the public as companies are presently

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losing assets by investments so they are curtailing their underwriting. After a discussion of the bill by committee members, Senator Hafferman moved that Senate Bill 318 "Do Pass". This motion was seconded by Senator Goodheart, put to a vote and carried unanimously.

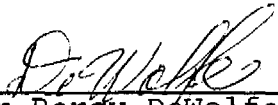
Senate Bill 319, also sponsored by Senator James Shea, was considered by the committee. It was felt that the intent of this bill would protect the public from insurance companies as otherwise the insurance companies could deny the right of free choice to insurance purchasers. There was discussion as to the wording of Senate Bill 319 and the committee postponed taking action on the bill.

Senate Bill 320, sponsored by Senator James Shea, was explained to the committee. Senator Shea advised that this bill had been introduced in previous sessions, but insurance companies had killed it in the House. He felt that Montanans were being unfairly penalized because of riots and happenings in other states as the insurance companies spread the risks to their policy holders. After discussion, Senator Hafferman moved that Senate Bill 320 "Do Pass" which motion was seconded by Senator Goodheart, voted upon and carried unanimously.

Chairman of this committee, Senator DeWolfe, assigned the following bills to subcommittees for further study:

Senate Bill 319 - Senators Shea and Goodheart
Senate Bill 148 - Senators Carl and Hafferman
Senate Bill 173 - Senators Carl and Hafferman

There being no further business before the committee, they adjourned.



Senator Percy DeWolfe-Chairman

BUSINESS AND INDUSTRY COMMITTEE

February 15, 1971

The nineteenth meeting of the Business and Industry Committee was held Monday morning at 10:30 in Room 433-4 of the State Capitol Building with Chairman Worden presiding.

All members were present with the exception of Representatives Jackson, McGrath, Mehrens, Olson and Patrick.

Senate Bill 139 was presented by Senator Stephens, sponsor. Proponents were E. V. "Sonny" Omholt, State Auditor, and Chadwick H. Smith representing American Mutual Insurance Alliance. There were no opponents.

Proponents for Senate Bill 148 were E. V. "Sonny" Omholt, State Auditor, and Chadwick H. Smith, representing American Mutual Insurance Alliance.

Senate Bill 318 was presented by Senator Shea. Opponents were Chadwick H. Smith representing American Mutual Insurance Alliance and John H. Risken representing American Insurance Association.

Senate Bill 220 was presented by Senator Thiessen. Doyle B. Saxby representing the Department of Administration appeared as a proponent.

Action was then taken on the following bills:

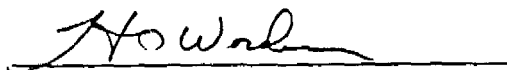
SB139...Rep. Spilde moved DO PASS. Motion carried.

SB148...Rep. Eggebrecht moved DO PASS. Motion carried.

SB220...Rep. Nelstead moved DO PASS. Motion carried.

SB318...Rep. Burnett moved do pass. He then withdrew his motion in favor of passing for the day, which motion was carried.

The meeting adjourned at 11:25 A.M.



H. O. WORDEN, Chairman

BUSINESS AND INDUSTRY COMMITTEE

February 17, 1971

The twentieth meeting of the Business and Industry Committee was held Wednesday morning at 10:30 in Room 433-4 of the State Capitol Building with Chairman Worden presiding.

All members were present with the exception of Representatives Olson and Selstad.

Senate Bill 315 was presented by Senator Bollinger. Proponents were Charles McChesney representing the community of Saco, Saco Dehi Feed Producing Plant, and the Sleeping Buffalo Recreation Center; and Bernard Minge representing the community of Saco. Rep. Staigmilller presented an amendment. Opponents were Bill Johnson representing the Railroad Commission and Rep. Harold McGrath from District 23.

Senate Bill 78 was presented by Senator Gilfeather. Elroy F. Letcher, lobbyist for Montana Credit Unions League, spoke in support of the bill.

Senate Bill 204 was presented by Senator Rehberg. Proponents were Bill Johnson representing the Railroad Commission and Robert D. Corette.

Senate Bill 167 was presented by Senator Stephens from District 19. Proponents were Ben G. Havdahl representing the Montana Division, Rocky Mountain Oil & Gas Association; Clay H. McCartney representing High Crest Oils, Inc.; and Earl Cranston representing Oil Resources Inc.

Action was then taken on the following bills:

SB167...Rep. Gerke moved BE CONCURRED IN. Motion carried.

SB204...Rep. Selstad moved BE CONCURRED IN AS AMENDED, and the motion was carried.

SB78...Rep. Nelstead moved BE CONCURRED IN. Motion carried.

SB315...Rep. Patrick moved BE NOT CONCURRED IN. Motion carried.

SB318...Rep. McGrath moved BE CONCURRED IN AS AMENDED. The motion was seconded and carried.

The meeting adjourned at 11:30 A.M.



H. O. WORDEN, Chairman

would otherwise accrue to such child for aid to dependent children under the laws of the state of Montana be reduced by reason of *any* such cause.

Primary factor—
willingness to work.

Primary factors in determining whether or not a father is honestly and responsibly seeking employment shall include his willingness to register for employment with the Montana state employment service if the Montana state employment service has a representative in his county of residence and his willingness to accept employment in which he is able to engage which will increase his ability to maintain himself and his family.

Other criteria.

The department of public welfare may establish additional criteria for determining whether or not a father is honestly and responsibly seeking employment."

Amending clause.

Section 2. Section 71-508, R.C.M., 1947, as amended, is hereby amended to read as follows:

Reimbursement by
counties.

"71-508. **County Share of Participation.** Each county department shall reimburse the state department in the amount of one-third (1/3) of the approved aid to dependent children grants exclusive of the federal share, *provided, however, whenever the state appropriation to fund the state's share of the grants, to families with unemployed fathers who are honestly and responsibly seeking employment, is insufficient to fully fund the state's share of such grants and such funding, if any, has been depleted, then the county, if any, which would be responsible for extending aid to dependent children to such families, shall reimburse the state department in the full amount granted to such family, exclusive of the federal share and exclusive of any costs to the state for participation by any such family in any and all federal or state work incentive programs and retraining programs and exclusive of any costs to the state for any such payments made to persons for whom the state is responsible. The state department, on receiving any appropriation for funding the unemployed father families payments, shall allocate such funds for such program so that it may be determined when, if at all, such funds as are appropriated for such program are depleted."*

Allocation of
funds.

Effective years—
over \$400,000 in
federal funds.

Section 3. The provisions of this act shall be effective only in those years in which the state of Montana shall

receive in excess of four hundred thousand dollars (\$400,000) federal funds designated for the specific purpose of funding this act.

Section 4. This act shall be effective July 1, 1972.

Effective July
1, 1972.

Approved March 15, 1971

CHAPTER NO. 374

An Act to Require Thirty Day Notice of Cancellation or Nonrenewal of Fire Insurance Policies and Providing a Penalty for Violation Under Section 40-2617, R.C.M., 1947.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. No insurer shall cancel or refuse to renew any policy providing fire coverage on any home occupied by the insured as a domicile without first giving to the insured thirty (30) days' notice in writing.

Fire insurer must
give 30 day notice
of cancellation.

Section 2. Violation of this section is punishable under section 40-2617, R.C.M., 1947 (general penalty).

Penalty for
violation.

Approved March 15, 1971

CHAPTER NO. 375

An Act Relating the Cities' and Towns' All-Purpose Levy; Amending Sections 84-4701.1, 84-4701.2, 84-4701.3, 84-4701.5 and 84-4701.6, R.C.M., 1947.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. Section 84-4701.1, R.C.M., 1947, is amended to read as follows:

Amending clause.

"84-4701.1. **All-purpose levy authorized.** It is the purpose of this act to authorize and empower the cities and towns of the state of Montana, at their option, to make an all-purpose annual mill levy in lieu of the multiple levies now authorized by the statutes of the state of Montana. The all-purpose mill levy shall not include the levies imposed for bonded indebtedness, to pay judgments, or special improvement district revolving funds of munic-

Authority of cities
and towns—all-
purpose annual
mill levy.

Exclusions.